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MEMORANDUM

DATE: June 15, 2006

TO: Employers Covered by the South Carolina Retirement Systems

FROM: Tammy B. Davis, CPA
Assistant Director, Financial Services

RE: Fiscal Year 2006-2007 Employer Contribution Rates

The South Carolina Retirement Systems is required to adjust the employer contribution rate to cover the costs of providing health and dental insurance to retirees covered by the State Health and Dental Plans. Effective July 1, 2006, the insurance surcharge rate will increase from 3.25% to 3.35%.

Following is a breakdown of employer rates for fiscal year 2007.

Type of Employer	Retirement	Insurance Surcharge	Employer Rate	Group Life	Accidental Death
SCRS - public schools & state agencies	8.05%	3.35%	11.40%	0.15%	N/A
PORS - class II coverage	10.30%	3.35%	13.65%	0.20%	0.20%
Optional Retirement Program (ORP)	3.05%	3.35%	6.40%	0.15%	N/A

Questions concerning this memorandum should be directed to our Customer Services Call Center toll free at 1-800-868-9002 or 803-737-6800.

The South Carolina Retirement Systems is required by law to collect the retiree insurance surcharge on behalf of the Employee Insurance Program (EIP). The Retirement Systems then submits the retiree insurance surcharge to EIP. This surcharge and any liabilities associated with the state's health and dental plans are not related to the pension benefits administered by the Retirement Systems.